

## Message Text

UNCLASSIFIED

PAGE 01 KUWAIT 00244 190658Z

15

ACTION NEA-09

INFO OCT-01 ISO-00 EB-07 RSC-01 /018 W

----- 087193

R 190610Z JAN 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 1967

INFO USDOC WASHDC

UNCLAS KUWAIT 0244

STATE FOR NEA/RA, HARRY MONTGOMERY

E.O. 11652: N/A

TAGS: EGEN, BEXP, KU

SUBJECT: NAM DRAFT REPORT ON KUWAIT

1. WE BELIEVE NAM REPORT BASICALLY SOUND AND NEEDS ONLY SEVERAL MINOR CHANGES. SUGGESTIONS FOR REVISIONS FOLLOW:

A) KUWAIT'S LAST FIVE YEAR PLAN EXPIRED IN 1972 AND THE COUNTRY WILL CONTINUE TO OPERATE WITHOUT A NEW PLAN UNTIL APRIL 1, 1976. IT NOT RPT NOT CLEAR HOW CLOSELY THE PLAN WITH BE ADHERED TO. (PGS 2,7)

B) ALTHOUGH IT TRUE THE BULK OF KUWAIT'S INTERNAL INDUSTRIALIZATION WILL BE CONCENTRATED IN PETROLEUM REFINING, PETROCHEMICAL MANUFACTURE, AND SHIPPING, EVIDENCE CONTINUES TO ACCUMULATE THAT KUWAIT WILL ALLOW OTHER INDUSTRIAL PROJECTS TO BE ESTABLISHED IF THE LABOR INPUTS ARE NOT TOO HIGH AND A READY REGIONAL MARKET EXISTS FOR THE PRODUCTS MANUFACTURED. RECENT EXAMPLES TO SUPPORT THIS ARE GOK APPROVAL FOR A CAR AND TRUCK ASSEMBLY PLANT (EUROPEAN), A CABLE AND WIRE FACTORY, AND A CAN MANUFACTURING PLANT (U.S.). THEREFORE, NAM MEMBERS SHOULD NOT RPT NOT BE LED TO BELIEVE THERE NO OPPORTUNITIES OUTSIDE PETROLEUM AND SHIPPING SECTOR IN KUWAIT FOR INDUSTRIAL PROJECTS ALTHOUGH, OF COURSE, MOST MAJOR OPPORTUNITIES IN NON-PETROLEUM SECTOR ARE IN "TRIANGULAR DEALS" WITH KUWAITIS OUTSIDE THE COUNTRY. (PG 5)

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KUWAIT 00244 190658Z

C) THE GOVERNMENT DOES NOT ALWAYS TAKE 50 PERCENT OWNERSHIP

IN MIXED COMPANIES BUT SOMETIMES MORE OR LESS DEPENDING UPON THE INDIVIDUAL CIRCUMSTANCES. (PG 4)

D) WHILE IT TRUE GROUP TOLD GAS IN SHORT SUPPLY FOR INDUSTRIAL PROJECTS SINCE ALL GAS PRESENTLY PRODUCED IS ASSOCIATED AND GOK HAS CUT BACK ON PETROLEUM PRODUCTION, WE BELIEVE SITUATION COULD CHANGE WHEN AND IF NONASSOCIATED GAS FIELDS BELIEVED TO EXIST ARE ONE DAY EXPLOITED. (PG 5)

E) THE PLANNING BOARD DOES NOT SET UP FACILITIES AND MAINTAIN THE LAND FOR INDUSTRIAL PROJECTS. THIS IS THE JOB OF THE SHUAIBA AREA AUTHORITY FOR INDUSTRIES LOCATED IN ITS AREA AND THE APPROPRIATE MINISTRIES (E.G. PUBLIC WORKS AND ELECTRICITY AND WATER). (PG 6)

F) WE QUESTION WHETHER THE BEST WAY TO STIMULATE ACTION ON A TRIPARTITE PROJECT IS TO SUBMIT IT TO THE INDUSTRIAL DEVELOPMENT ORGANIZATION OF THE ARAB LEAGUE IN CAIRO. WE REALIZE THEY TOLD THIS BY PLANNING BOARD DIRECTOR DUAII, BUT WE UNDERSTAND FROM OTHERS THIS CAN BE A GRAVEYARD FOR PROJECTS GIVEN THE SLOWNESS WITH WHICH THAT BODY MOVES. WOULD RATHER RECOMMEND TRIPARTITE INVESTMENT SCHEMES BE SUBMITTED DIRECTLY TO THE KUWAITIS, ALLOWING THEM TO RUN INTERFERENCE IN THE COUNTRY WHICH IS TO HOUSE THE PROJECT. (PG 7)

G) STRIKES ARE BY LAW FORBIDDEN IN KUWAIT ALTHOUGH SEVERAL WILDCAT STRIKES OF SHORT DURATION HAVE BEEN TOLERATED, WITHOUT RESORT TO REPRESSIVE MEASURES. (PG 10)

H) SECOND PARA., PG 13, SHOULD READ: "YET KUWAIT'S PRIORITIES FOR USE OF PETROLEUM REVENUES RANK NATIONAL DEVELOPMENT FIRST, ECONOMIC DEVELOPMENT OF THE ARAB WORLD SECOND, AND INVESTMENT IN THE WEST AND NON-ARAB DEVELOPING COUNTRIES THIRD."

I) SECOND SENTENCE, PARA, 3, PG 14, SHOULD READ: "INVESTMENT TAKES PLACE THROUGH PRIVATE CHANNELS AND JOINT VENTURES AMONG THE KUWAITI GOVERNMENT, FOREIGN GOVERNMENTS AND/OR THIRD COUNTRY BUSINESSMEN, AND THE KUWAIT PRIVATE SECTOR." (THE KUWAIT FUND IS AN AID RATHER THAN INVESTMENT INSTITUTION).

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 KUWAIT 00244 190658Z

2. WE UNDERSTAND DAJANI REQUESTED BY HOLLIS IN RECENT TELECON REWRITE REPORT, AND WE PROVIDING HIM COPY.

3. PLEASE INFORM STATUS OF REPAYMENT FOR MISSION EXPENSES OWED EMBOFF.  
STOLTZFUS

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975KUWAIT00244  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** KUWAIT  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750139/aaaabhzn.tel  
**Line Count:** 113  
**Locator:** TEXT ON-LINE  
**Office:** ACTION NEA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04 APR 2003 by SilvaL0>; APPROVED <25 Nov 2003 by MorefiRH>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NAM DRAFT REPORT ON KUWAIT  
**TAGS:** EGEN, BEXP, KU  
**To:** SECSTATE WASHDC WASHDC  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006